

Richard H. Gill (Ala. State Bar No. GILL007)
George W. Walker, III (Ala. State Bar No. WAL097)
C. Nelson Gill (Ala. State Bar No. GIL055)
COPELAND, FRANCO, SCREWS & GILL, P.A.
P. O. BOX 347
Montgomery, Alabama 36101-0347
Telephone: 334.834.1180
Facsimile: 334.834.3172

Charles R. Gibbs (Texas State Bar No. 07846300)
Eric C. Seitz (Texas State Bar No. 24067863)
AKIN GUMP STRAUSS HAUER & FELD LLP
1700 Pacific Avenue, Suite 4100
Dallas, Texas 75201
Telephone: 214.969.2800
Facsimile: 214.969.4343

ATTORNEYS FOR WHITE SANDS GROUP, L.L.C.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

IN RE:	§	
	§	
MORRIS RADIO ENTERPRISES,	§	CASE NO. 09-31416-HDH-11
L.L.C., dba THE BUSINESS SHRINK	§	
and	§	
	§	
PRS II, LLC, dba FORT MORGAN	§	CASE NO. 09-31436-BJH-11
	§	
DEBTORS.	§	Jointly Administered Under
	§	Case No. 09-31416-HDH-11
	§	

**AMENDED AFFIDAVIT¹ OF NELSON GILL IN SUPPORT OF
AMENDED MOTION OF WHITE SANDS GROUP,
L.L.C. FOR RELIEF FROM THE AUTOMATIC STAY**

STATE OF ALABAMA)
) ss:
COUNTY OF MONTGOMERY)

I, Nelson Gill, being duly sworn, do depose and say:

¹ This affidavit is being amended solely to correct the omission of one word from the movant's legal name.

1. I am over eighteen years of age, have never been convicted of a felony, and am fully competent to make this affidavit. I have personal knowledge of the statements contained herein, which are all true and correct.

2. I am one of the attorneys representing White Sands Group, L.L.C. (“White Sands”). I have been involved in litigation in Alabama between White Sands and Debtor PRS II, LLC (“PRS II”) since its inception in 2005. The facts contained herein are based upon my personal knowledge of the case pending in Baldwin County, Alabama.

3. White Sands is a Baldwin County, Alabama LLC, comprised of three members: Chris Rolison; Jeff Valentine; and Jerry Rolison. PRS II is an LLC organized in the State of Delaware, with its principal place of business either in Alabama or in Illinois.

4. White Sands is involved in litigation (the “Litigation”) with PRS II in Baldwin County, Alabama. The case is styled as *PRS II, L.L.C. v. White Sands Group, L.L.C., et al.*, CV-2005-923. PRS II initiated the Litigation on August 3, 2005. A true and correct copy of the Complaint is attached hereto and incorporated by reference as Exhibit A.

5. White Sands filed counterclaims (collectively, the “Claims”) against PRS II and other parties on September 26, 2005. A true and correct copy of the Answer of White Sands Group, L.L.C. and Jeff Valentine and Counterclaim of White Sands Group, L.L.C. and Chris Rolison is attached hereto and incorporated by reference as Exhibit B.

6. The Litigation includes two intervening appeals concluded in the Supreme Court of Alabama. The Supreme Court of Alabama’s opinions (the “Supreme Court Opinions”) are reported as *White Sands Group, L.L.C. v. PRS II, LLC, et al.*, 998 So.2d 1042 (Ala. 2008) and *White Sands Group, L.L.C. v. PRS II, LLC, et al.*, Nos. 1080312, 1080673, 2009 WL 2841114 (Ala. Sept. 4, 2009). True and correct copies of the Supreme Court Opinions are attached hereto

and incorporated by reference as Exhibit C. White Sands' Claims against PRS II are now ready for trial.

7. PRS II is an entity with no known nexus to the Northern District of Texas. All of the property of PRS II is located in Baldwin County, Alabama, where there are already long-pending civil claims in the state Circuit Court.

8. The whole of PRS II's business is the purchase and development of a large tract of land in Baldwin County, Alabama. That land was acquired from the Langans, the defendants in the adversary proceeding lodged by PRS II in these bankruptcy proceedings, in 2005, and a portion of that land was claimed by White Sands. White Sands seeks damages from PRS II in regard to its intentional interference with White Sands' prior business relation with the Langans. At all times, since 2005, PRS II has known it was engaged in the Litigation with White Sands in Alabama; indeed, that it had initiated the Litigation and that the Litigation was pending on appeal (the "Appeal") in the Supreme Court of Alabama when these bankruptcy proceedings were filed.

9. The Appeal was filed in the Alabama Supreme Court in December 2008. These bankruptcy proceedings were filed on March 6, 2009 (the "Petition Date"). PRS II did not list White Sands as a creditor, nor did it advise White Sands or the Alabama Supreme Court of the bankruptcy filing, nor serve them with notice. PRS II sought to collect costs from White Sands in the Baldwin County Court *after* it had filed for bankruptcy in this Court.


10. On September 4, 2009, almost six months after the Petition Date, the Alabama Supreme Court ruled against PRS II in the appeal; only then, faced with an adverse ruling which (i) determined that PRS II must defend the damage claims against it in the Alabama trial court and (ii) vacated the prior rulings favorable to PRS II, did PRS II file a "Notice of Suggestion of Bankruptcy" in the Alabama state court. This "Notice of Bankruptcy" was filed on September

21, 2009, after the mandate of the Alabama Supreme Court had been issued. No other notice or information regarding this bankruptcy has ever been given to White Sands.

11. The documents attached to the Motion of White Sands, LLC for Amended Relief from the Automatic Stay (the “Amended Motion to Lift Stay”) [Docket No. 120] and White Sands, LLC’s Amended Motion to Dismiss Debtor PRS II LLC’s Chapter 11 Case, or, in the Alternative, for Change of Venue (the “Amended Motion to Dismiss”) [Docket No. 118] are true and correct copies of deposition transcripts, evidentiary documents, and court filings which are part of the Record in the case pending in Baldwin County, Alabama. The facts set out in the Amended Motion to Dismiss and the Amended Motion to Lift Stay are true and correct to the best of my knowledge.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Further, affiant sayeth not.


Nelson Gill

SWORN TO AND SIGNED

BEFORE ME ON

January 6, 2009¹⁰


NOTARY PUBLIC

(seal)

My Commission Expires: NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 28, 2011
BONDED THRU NOTARY PUBLIC UNDERWRITERS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Amended Affidavit of Nelson Gill in Support of Amended Motion of White Sands Group, L.L.C. for Relief from the Automatic Stay was provided via e-mail (**w/out exhibits**) to the parties listed below and a copy of same (**w/exhibits**) to the parties listed on the attached Service List via United States mail, postage prepaid, on the 7th day of January 2010.

Office of the U.S. Trustee
c/o Erin Schmidt
1100 Commerce Street, Room 976
Dallas, Texas 75242-1496
erin.schmidt2@usdoj.gov

Gerrit M. Pronske
Pronske & Patel, P.C.
2200 Ross Avenue, Suite 5350
Dallas, TX 75201
gpronske@pronskepatel.com

s/ Eric C. Seitz

Eric C. Seitz

SERVICE LIST

Morris Radio Enterprises, L.L.C.

Case No. 09-31416

Document No. 6427760

Morris Radio Enterprises, L.L.C.

PRM Realty Group, LLC

Sarles & Ouimet

900 Jackson St.

Dallas, TX 75202

PRS II, LLC

3535 Gillespie, No. 305

Dallas, TX 75219

PRS II, LLC d/b/a Fort Morgan

c/o Gary Sarles

PRM Realty Group, LLC

900 Jackson Street

Dallas, TX 75202

Christina Walton Stephenson Gerrit M.

Pronske, Rakhee V. Patel, Vickie L. Driver

Pronske & Patel, P.C.

2200 Ross Avenue, Suite 5350

Dallas, TX 75201

UST U.S. Trustee

1100 Commerce Street, Room 976

Dallas, TX 75242-1496

Peter Morris

150 N. Wacker Dr., Suite 1120

Chicago, IL 60606

Douglas S. Hackett

171 English Landing, #210

Parkville, MO 64152

WVIP Hudson

Weschester Radio, Inc.

One Broadcast Forum

New Rochelle, NY 10801

Peter Laufer

1225 Bodega Avenue

Bodega Bay, CA 94923

Clear Channel Communications

Washington DC Market

5567 Collection Center Drive

Chicago, IL 60693

Foundation of National Progress

Attn: Kevin Medford

222 Sutter Street, Suite 600

San Francisco, CA 94108

Sydney Stern

c/o PRM Realty Group, LLC

150 N. Wacker Dr., Suite 1120

Chicago, IL 60606

Tom Athans d/b/a Talk USA

1247 Woodward Ave., Apt. 801

Detroit, MI 48226-2030

PRM Realty Group, LLC

Attn: Accounting Department

150 N. Wacker Dr., Suite 1120

Chicago, IL 60606

Pilot Pointe Development, LLC

3380 Hurricane Bay Drive

Theodore, AL 36582

Bar Pilot Land, LLC

3380 Hurricane Bay Drive

Theodore, AL 36582

Peter Sterling

11 Raeburn Court

Babylon Village, NY 11702

Jerome Speegle

Zieman, Speegle, Jackson & Hoffman,
LLC

5 Dauphin Street, Suite 301

Mobile, AL 36602

Brockington and Associates

4836 Brecksville Road

Richfield, OH 44286

Ross Security Consultants

Suite 68

Central Square

Central Avenue & Route 9

Linwood, NJ 08221

Mark Paneth & Schron

622 3rd Avenue, 7th Floor

New York, NY 10017

Internal Revenue Service

P.O. Box 21126

Philadelphia, PA 91114

Robert Michael Galloway

Galloway, Wettermark, Everest,

Rutens & Gaillard, LLP

P.O. Box 16629

Mobile, AL 36616

Laurie Spindler Huffman

Linebarger Goggan Blair & Sampson, LLP

2323 Bryan St., Suite 1600

Dallas, TX 75201

Internal Revenue Service

1100 Commerce Street

Mail Code 5027 DAL

Dallas, TX 75242-1001

Wachovia Bank f/k/a/ South Trust Bank

3001 Dauphin Street

Mobile, AL 36606-4040

Bon Secour Partners, LLC

3535 Gillespie, #305

Dallas, TX 75219

Bridge Funding, Inc.

c/o Jennifer S. Morgan

Hand Arendall LLC

P.O. Box 123

Mobile, AL 36601

Hancock Bank

c/o Richard A. Wright

Jones, Walker, Waechter, Poitevent,

Carrere & Denegre, LLP

P.O. Box 46

Mobile, AL 36601

Hancock Bank
c/o Robert P. Franke, Melissa L. Gardner
Strasburger & Price, LLP
901 Main Street
Dallas, TX 75202-3729

Dees Engineering
Attn: Barry E. Dees
3817 Gulf Shore Parkway, Suite 9
Gulf Shores, AL 36542

Cohen, Seglias, Pallas, Greenhall & Furman PC
Attn: Roy Cohen
307 17th Street
Philadelphia, PA 19103

PM Transportation, LLC
3535 Gillespie, #305
Dallas, TX 75219

Enterprise Bank & Trust
c/o Enterprise Operations
1281 N. Warson Road
St. Louis, MO 63132

Marcus Alan Helt
Gardere, Wynne, Sewell, LLP
1601 Elm Street, Suite 3000
Dallas, TX 75201

AVMATS
Spirit of St. Airport
18377 Edison Avenue
Chesterfield, MO 63005-3628

Honeywell
MSP Administration
1944 East Sky Harbor Circle
Mailstop 2102-229
Phoenix, AZ 85034

Atlantic Aviation
Waukesha County Airport
P.O. Box 951883
Dallas, TX 75395-1883

Flight Safety International
Marine Air Terminal
LaGuardia Airport
Flushing, NY 11371-1061

Charles M. Cobbs/Claude D. Smith
Cavazos, Hendricks, Poirot & Smitham, P.C.
900 Jackson Street
570 Founders Square
Dallas, TX 75202

Tom Athans
d/b/a Talk USA
7143 Steeplechase Way
Lansing, MI 48917

#6427760